

In President Obama's State of the Union Address he said in order to get back on track, to build prosperity, we need to out-educate, out-build, and out-innovate the rest of the world. Ask any small business owner and they will agree that though sometimes they have to trim overhead, they have to also make smart target investments for their business to grow. So why does H.R. 1 do exactly the opposite?

The President calls for education funding that supports afterschool programs from Bemidji to Worthington. Yet H.R. 1 cuts \$100 million. In Minnesota, H.R. 1 would effectively eliminate afterschool programs for nearly 2,000 kids. H.R. 1 also cuts job training programs, virtually zeroing out the first title in WIA, even when 3,000 Minnesotans are on waiting lists to get training for jobs that are going unfilled. I talked to businesses all over Minnesota and they need trained workers. They support the Workforce Investment Act.

The President calls for infrastructure. Yet H.R. 1 cuts surface transportation projects across the country, including nearly \$8 million for a new railroad crossing in Staples and \$250,000 for the St. Paul Complete Streets Plan.

The Department of Transportation estimates that H.R. 1 would effectively cancel 75 projects in 40 States across the country and put more than 30,000 jobs at risk nationwide.

The President calls for innovation. Yet H.R. 1 cuts \$2.5 billion in lifesaving biomedical and health research at the National Institutes of Health and National Cancer Institute. The United States and my home State of Minnesota have been the world leaders in innovative biomedical research. Under H.R. 1, the United States will be forced to detour from our path toward breaking biomedical frontiers. I think we can agree we must not be penny-wise and pound-foolish when it comes to investing in our Nation's future.

H.R. 1 does exactly the opposite of what our country should be doing during an economic recovery. H.R. 1 does not target Willy Sutton's bank, it goes after schools and roads and cancer research.

I have a few ideas for targeting the bank where the money is. Let's start with big oil and gas. Over the past decade, the past 10 years, just the five largest oil and gas companies have made \$1 trillion in profit—not revenues, profit; \$1 trillion in profit. Yet we are giving them tax subsidies that have been in place since as far back as 1916. Eliminating these wasteful subsidies will bring in about \$64 billion over 10 years. Let's do that.

Another bank: Waste and fraud in the health care system. Provisions in the health reform law reduce waste. The value index that I and others pushed for in the health care reform bill is going to ensure that we reward value, not volume, in Medicare.

In Texas, for example, Medicare reimbursements are about 50 percent

higher per patient than they are in Minnesota. Yet in Minnesota we have better outcomes. Why? Because we deliver higher value health care at a much lower cost. Imagine how many tens of billions or hundreds of billions of dollars we could save if every State delivered health care like Minnesota does, like my State does.

Also, in Medicare the government pays too much for Medicare prescription drugs. Because Medicare represents so many people, it could negotiate prices directly with the drug companies and deliver the same benefits for seniors at a lower cost. The VA already does this. This simple change could save taxpayers up to \$24 billion a year or \$240 billion over 10 years. This is where the money is. I am not the first to point out there is waste in health care, but we can do something about it. Guess what. H.R. 1 would cut \$250 million from health care fraud and abuse control.

Another bank is the Department of Defense. We all agree we cannot skimp on national security, believe me. When our troops are at war, two wars, we can do nothing to skimp on their safety, their security, their readiness, their ability to fight these wars, or on them when they come back from the war. H.R. 1 makes cuts to programs for homeless vets.

We do not want to skimp on national security, but when the military says it doesn't need or want something, we should listen. When it says it doesn't need the F-35 alternate engine, the Marine Expeditionary Fighting Vehicle, or the Non-Line of Site Launch System, we should not buy them. This could save billions of dollars.

Then, of course, there is revenue. H.R. 1 does nothing to shore up revenue at a time when we still have our troops overseas engaged in combat. We have always paid for our wars before. This time we passed huge tax cuts for the wealthy, and just a couple of months ago my colleagues on the other side of the aisle insisted on extending these tax breaks on income over \$1 million. We had a vote on this. It was not enough to extend the tax breaks on the first million or the second million or the third million or the tenth million or the twentieth million or the fiftieth million or the hundredth million. Ending the tax breaks for millionaires could have brought in around \$35 to \$40 billion every year. On the back of the envelope, that is \$350 to \$400 billion over 10 years—I added a zero.

The President has stated this was only a temporary extension, and I plan to hold him to that. If we are going to be talking about making shared sacrifices and cutting homeless vets and cutting Head Start, let's make sure those shared sacrifices are really shared.

All these ideas need to be on the table, not just 12 percent of our entire budget. If we are at all serious about reforming our budget, and I am talking about serious about this, it has to in-

clude the bank. We have to go where the money is.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WHITEHOUSE). Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I ask unanimous consent to address the Senate as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTINUING APPROPRIATIONS ACT

Mr. McCAIN. Mr. President, earlier this afternoon, there was a vote on a 2-week continuing resolution to fund the government, and it was divided along party lines. I voted for passage of H.R. 1, the House-passed continuing resolution, which will fund the Federal Government for the remainder of the fiscal year. I supported this measure because I believe it is a critical first step toward reining in our deficit and debt and putting us back on a path to fiscal solvency.

I appreciate the hard work of my colleagues in the House. Their efforts required a lot of compromise and tough decisions. I supported passage of H.R. 1, but I have serious concerns with the defense-related spending of this bill.

The defense-related spending on H.R. 1 is not sufficient for us to carry out our responsibilities to the men and women who are serving in the military and fulfill our national security requirements. Therefore, if we are going to embark on another 2-week continuing resolution, as it appears that reports indicate may be the case, then I will be compelled to propose an amendment that will then fund our Nation's national security requirements for the remainder of the year. That number, as I have determined it, is approximately \$535 billion for normal defense appropriations, and \$159 billion for war funding, known as overseas contingency operations.

The Secretary of Defense, with whom I have disagreed from time to time—which I think is natural and appropriate—I believe is perhaps the finest Secretary of Defense who has ever served this Nation in many respects. I am sure there are others who were outstanding. But in recent memory, I have not met a person who has led our Defense Department with the qualities of leadership and dedication as Secretary Gates. I pay close attention—and I hope all of us do—particularly to the fact that we have Americans in harm's way in two wars and the turmoil that now is present in the Middle East, in the Arab world, in the Maghreb.

The Secretary of Defense has said unequivocally that he cannot guarantee

we are defending this Nation's vital national security interests if we continue on a 2-week by 2-week by 2-week sequence. There is not the kind of funding nor the kind of assurance to the men and women serving that we can adequately train and equip and make them fight at their highest efficiencies and capabilities. I disagree—and I will list some of the areas where I disagree—with the funding requirements. I don't agree with the number the Secretary of Defense has said, which is \$540 billion. I think we can do it with \$535 billion.

The fact is we can't subject our Nation's national security to a 2-week by 2-week process. It is not the way the Defense Department can function and this Nation can defend itself and its vital national security interests. We owe it to the men and women serving in harm's way as we speak.

The aspects of the Defense Appropriations bill that need to be taken away, eliminated, are \$300 million for medical research. I am sure the medical research is important, but it has nothing to do with national defense. Within that \$300 million is \$15 million for peer-reviewed Alzheimer's research, \$150 million for peer-reviewed breast cancer research, \$12.8 million for peer-reviewed lung cancer research, \$20 million for peer-reviewed ovarian cancer research, \$80 million for peer-reviewed prostate cancer research, and \$4.8 million for multiple sclerosis—all of which are worthy causes, but none have anything to do with defending this country. If they want them to be funded—and they deserve to be in many respects—they should come out of the Health and Human Services Appropriations, not out of Defense.

What has happened around here over the years is what I'll call the "Willie Sutton syndrome." He was the famous bank robber. They once asked him why he robbed banks. He said: That is where the money is. So some special interests have wanted funding for various projects that are either good or bad, or programs that are either good or bad, which have nothing to do with defense. We cannot afford those anymore. If we want to fund a program, it should come out of the appropriate area of responsibility of the Appropriations Committee.

Both bills include about \$70 million for private organizations and charities, such as \$24 million for the Red Cross, \$1.2 million for the Special Olympics, \$20 million for youth mentoring grants—all worthy causes and all not defense related.

Both bills direct \$550 million for non-defense public infrastructure projects, such as \$250 million for improvements to local schools that are not part of the Department of Defense school system. If they need to be funded, take it out of the proper appropriations moneys. It also includes \$300 million for roads.

Equally troubling is the way the bills make objectionable changes to the overseas contingency operations fund-

ing—the OCO. The overseas contingency operation funds are specifically for Iraq and Afghanistan. Both of the bills cut the Iraq security force funding by \$500 million. They also shift funding for nine F-18 Hornets from base to the overseas contingency operations, despite the fact that we have not lost an F-18, and that is \$500 million. It shifts \$500 million in funding for UAVs from the base, where they were properly requested, to OCO. They should not be designated to overseas contingency operations. They fund 20 additional missile defense interceptors for \$190 million, and they include more than \$37 million in funding support for the southwest border for the National Guard. I strongly support funding for the southwest border—to have it secured—and I will continue to advocate for that, but it doesn't apply to overseas contingency operations.

As we proceed, I intend to work to remove the nondefense-related spending from these bills, restore that funding to DOD priorities, including full funding for our troops in combat and the costs needed to maintain and restore their equipment.

I don't know if the government will be shut down. I don't know where there will be compromise. I don't know if we will engage in entitlement reform and all of the different scenarios that we could draw as to what is going to happen here at high noon in the great drama of our Nation's Capitol. We cannot forget that we are in 2 wars; that we have 100,000 troops in Afghanistan and approximately 50,000 in Iraq—those are rough numbers—not to mention other civilians and members of the diplomatic corps and other parts of the U.S. Government.

We cannot force them to live 2 weeks by 2 weeks by 2 weeks and not be sufficiently funded. I will be glad to engage with my colleagues in vigorous debate. Maybe they are able to find more ways to save money from our defense spending—and I am sure they are there, and I look forward to working with them. But as the Secretary of Defense has tried to make it as clear as possible to the Members of Congress—and I wish the President would weigh in more heavily—we cannot continue functioning and preserve our national security this way.

That is why if we do another 2-week continuing resolution, I will be coming to the floor to propose an amendment to provide funding for our Nation's defense for the remainder of the year.

I take a backseat to no one in my zeal to cut unnecessary spending. I am aware we have mortgaged our children's futures. I know we cannot stop spending the way we are. But the first priority of government—the first priority—is to ensure the safety and security of its citizens. That is why we must appropriately fund our Department of Defense and all its associated functions and especially provide the equipment and training and protection, as much as we can, to the men and

women who are serving and sacrificing so the rest of us can live freely.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REDUCTION IN THE DEBT

Mr. SESSIONS. Mr. President, we had votes this afternoon on the continuing resolution proposal from the House, and the Senate did not approve that. We did not have the 60 votes necessary to accept that. The Democratic proposal, which I would suggest does nothing about the debt, failed. I guess there were four or five party defections. If we take what direction those defections meant, all of those defections went to the more conservative side in that several thought the House reductions in spending were not enough, and several Democratic colleagues thought the Democratic majority leader's proposal did not go far enough.

I would just say that what we need to do—and it is very important that we achieve it—is to move toward a gradual, credible, sustained, mature reduction of the deficits this country has faced, and that takes some tough decisionmaking. It doesn't require us to act in an extreme or drastic way, but it means sustained serious changes in the trajectory in which we are headed.

I would just note that the House proposed reducing our nondefense discretionary spending \$61 billion over the rest of the fiscal year. If we take only the discretionary account, that amounts to about a 6-percent reduction. If we take the entire Federal spending, it is less than a 2-percent reduction in the entire Federal spending. So it is utterly implausible that this reduction in spending is so significant that it will impact adversely our economy today—that is one of the arguments they are throwing out—particularly in light of the fact these don't consider that we are dealing with outlays of money that would not even be spent in this fiscal year. It will be spent in the next year or two as we build a project—a road or something—that takes several years to complete. So the actual reduction in outlay in this year would not be that significant, and it will not reduce the fragile growth rate we are in.

What it does, though, is save \$61 billion out of this year's appropriations. Over a period of 10 years, that will result in approximately \$860 billion in savings because it reduces the baseline by this amount, and it carries out each with the 10 years of the \$61 billion reduction, plus the interest saved on all this debt since all of this money is borrowed. We are so deeply in debt, any reduction reduces our debt, it reduces